Franchise Tax Board

ANALYSIS OF ORIGINAL BILL

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Related Bills:	See Legislative History	Telephone:	845-6979	Introduced Date:	05/17/2001
		Attorney:	Patrick Kusiak	Sponsor:	

SUBJECT: Electric Windfall Profits Tax/Electricity Consumers Refundable Credit

SUMMARY

This bill would:

- impose a windfall profits tax on sellers of electricity, and
- refund the windfall profits tax to individuals required to file an income tax return.

PURPOSE OF THE BILL

The purposes of this bill appear to be to:

- respond to perceived manipulation of the electricity market to increase prices by companies that generate or sell electricity, and
- provide financial relief to electricity consumers.

EFFECTIVE/OPERATIVE DATE

As a tax levy, this bill would become effective immediately upon enactment. However, the bill specifies that all provisions of the act would become operative on the first day of the first month commencing more than 60 days after the effective date. The bill also specifies that the refundable credit would become operative for taxable years beginning on or after January 1, 2001.

POSITION

Pending.

Summary of Suggested Amendments

Amendments are needed before this bill can be administered. See "Implementation Considerations" below. Department staff is available to assist the author with amendments.

ANALYSIS

BACKGROUND

Nexus is a constitutional requirement that must be satisfied before a state can properly exercise its power to tax. It is established by a level of presence or activity within a state that is sufficient to

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establish a connection between the state and a business entity that allows the state, under the U.S. Constitution, to exercise jurisdiction over the business and impose a tax.

Nexus is most clearly established if an out-of-state business maintains a physical presence within the state, like a sales, service, or administrative office.

Nexus requires some degree of presence within the state. The degree of presence necessary to create nexus is a matter often litigated before the courts. Solicitation of orders from outside the state by mail order, telephone, or other electronic media with delivery made by common carrier generally has been ruled to be insufficient to establish nexus. Under virtually identical facts, but with instate delivery of the product made by the business in its own capacity, nexus is established.

In the past, the concept of nexus has focused on a business' physical contacts or presence in the taxing state. This focus may be outmoded and may be shifting to include a less explicit economic standard based on a regular and systematic exploitation of the taxing state's market by a business. As technological developments change the manner in which business is conducted, a company that uses electronic technology (e.g., toll-free telephone numbers, telemarketing, computer services, etc.) may have no less a "presence" in a state than a business that establishes a physical presence. Both businesses are cultivating the state's market and are enjoying the protection and services offered by the state for which the state deserves a return.

The inherent jurisdiction of states to tax is limited by the U.S. Constitution under the Commerce and Due Process Clauses. The Commerce Clause of the U.S. Constitution prohibits the states from inhibiting or placing an undue burden on the free flow of interstate commerce. Income from business activities constituting purely interstate commerce may be taxed by a state provided the tax is not discriminatory and is properly apportioned to a specific local activity. In other words, a state may tax exclusively interstate commerce as long as the tax does not create an effect proscribed by the Commerce Clause.

The Due Process Clause of the Fourteenth Amendment prevents a state from imposing a tax on a person over whom it has no jurisdiction and requires that the person, object, or activity subject to the tax have some relationship to a fixed position within the particular state. There must be some definite link or minimum connection between an activity within the state and the tax. The underlying question is whether the state has provided some service, protection, or facility for which a return in the form of a tax would be equitable and whether the tax imposed is a reasonable means of defraying the costs of state government. The Supreme Court has set a standard of fairness that implies that if a sufficient contact between the taxing state and the nonresident taxpayer exists, and the tax imposed is fairly related to the taxpayer's in-state business activities, the tax will pass constitutional muster. The most frequently cited description of the due process standard is found in a Supreme Court case dealing with the power of a state to impose a tax on a foreign corporation on dividend income derived from property located and business transacted in the state:

> "That test is whether property was taken without due process of law.... whether the taxing power exerted by the state bears fiscal relation to protection, opportunities, and benefits given by the state. The simple but controlling question is whether the state has given anything for which it can ask for a return."[1]

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[1] *Wisconsin* v. *J.C. Penney Co.* (1940) 311 U.S. 435.

There is no “bright line” test regarding the circumstances that cause a contact to be sufficient to subject a business to taxation by a state.

Congress further restricted the states’ powers to tax even when Constitutional nexus was established by enacting Public Law (P.L.) 86-272. P.L. 86-272 prohibits states from imposing an income tax upon the income of a person derived within the state if the person’s only business activity in the state is “solicitation” of orders for sales of tangible personal property. P.L. 86-272 applies where the orders are sent outside the state for approval and, if approved, are filled and delivered from a stock of goods located outside the state.

California’s interpretation of P.L. 86-272 is summarized in the publication, “Application and Interpretation of Public Law 86-272 (FTB Pub. 1050).” The key points of this interpretation are:

1. Under P.L. 86-272, only income derived within the state from the sale of tangible personal property is immune from taxation. This law does not prohibit California from taxing income from selling or providing services and selling, leasing, renting, licensing or other disposition of real estate, other personal property, intangibles, or other types of property in this state.

2. The activity must be limited to solicitation (except as noted under #3).

3. P.L. 86-272 extends to activities performed on behalf of the person by independent contractors that do not represent a single person. Independent contractors may solicit sales, make sales, and maintain a sales office without defeating a person’s immunity from income taxation. However, the independent contractor may not maintain a stock of goods on behalf of the person in California.

P.L. 86-272 was amended in 1976 to add a provision that prohibits discriminatory state taxation of out-of-state manufacturers, wholesalers, retailers, or consumers of electricity.

Under current state law it is unclear whether electricity is considered tangible personal property and thus whether P.L. 86-272 would apply to income derived from a sale of electricity. Department staff does consider electricity to be tangible personal property. However, there has been no authoritative decision on this issue in California.

FEDERAL/STATE LAW

Prior federal law (1980 to 1988) imposed a windfall profits tax on oil. The tax rate ranged from 15% to 70% of the difference between the market price of oil and a predetermined base price.

California has not imposed a state-level windfall profits tax.

Existing state law imposes a franchise tax on every corporation either qualified to do business in this state or doing business in this state (whether organized in-state or out-of-state). The franchise tax is not a tax on income. Rather, it is a tax, measured by net income, for the privilege of doing business within the state. The corporate franchise tax rate is 8.84%. The S corporation franchise tax rate is 1.5%. Taxpayers are subject to a minimum franchise tax of $800 only if it is more than their measured tax.

Existing state law also imposes a corporate income tax on corporations that are not organized in or qualified to do business in California, but are deriving income from California sources. This tax is also 8.84% and 1.5% for S corporations. However, the minimum franchise tax does not apply to corporations subject to the corporate income tax.

Existing federal and state laws impose tax on the income earned by individuals, estates, and trusts. For California, the tax is imposed on the entire taxable income of residents of California and upon the taxable income of nonresidents derived from sources within California. The California tax for individuals is computed on a graduated scale at rates ranging from 1% to 9.3%.

Existing federal and state laws provide various tax credits designed to provide tax relief for taxpayers that incur certain expenses (e.g., child adoption) or to influence behavior, including business practices and decisions (e.g., research credits or economic development area hiring credits). These credits generally are designed to provide incentives for taxpayers to perform various actions or activities that they may not otherwise undertake.

Under provisions of federal law (Title IV of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (P.L. 104-193)), certain aliens are ineligible for federal, state, and local public benefits, which includes refundable tax credits. IRS implementation of Title IV is limited to verifying eligibility on the basis of Social Security numbers. The IRS delays all returns claiming refundable federal credits that do not pass an automated Social Security number verification process. By its terms, this federal law applies to states.

Existing federal and state laws authorize penalties for failure to meet the deadlines for filing returns, paying taxes, or furnishing information. The penalties that this bill would specifically apply to the windfall profits tax are as follows:

- *Failure to Pay Tax by Due Date.* The penalty is 5% of the unpaid tax plus 0.5% of the unpaid tax per month or part of a month the tax remains unpaid. The maximum penalty is 25% of the unpaid tax.

- *Failure to File a Return by the Due Date*. The penalty is 5% of the tax due, after applying payments and credits made on or before the due date, for each month or part of a month the return is late, up to 25%. For a return that shows a balance due, the minimum penalty for filing a return more than 60 days late is $100 or 100% of the tax due after applying timely payments and credits, whichever is less.

<u>THIS BILL</u>

Windfall Profits Tax

This bill would impose a windfall profits tax on sellers of electricity. The windfall profits tax would be equal to 100% of the amount by which the sales price of electricity sold in this state exceeds the base price. The tax would not apply to sales of electricity made pursuant to a binding written contract executed on or before the effective date of the bill.

“Base price” would mean $80 per megawatt hour of electricity sold, or any subsequent price developed and approved by the California Public Utilities Commission (CPUC) as specified by the bill. The base price could be adjusted by the CPUC for specific sellers. In addition, the CPUC could, by regulation, authorize exemptions from all or part of the windfall profits tax for generators of renewable energy sources.

“Sellers of electricity” would include any entity, regardless of classification, that is a producer, generator, wholesaler, marketer, broker, or other vendor of electricity.

The California Independent Systems Operator (CA-ISO), any utility distribution company, or any other person or entity in this state that processes or is required to process sales of electricity would be required to withhold 100% of the windfall profits tax from payments made to sellers. The tax would be remitted to the Franchise Tax Board (FTB) by the 15th day of the month following the month the tax is withheld. Every withholding entity would itself be liable for the windfall profits tax. Interest and the penalty for failure to pay tax by the due date would be assessed on amounts withheld and not remitted on or before the due date. In addition, the withholding entity would be required to file a monthly return to FTB showing:

- the seller’s name,
- the seller’s tax identification number,
- the total number of megawatt hours of electricity sold that was subject to the windfall profits tax,
- the total amount of kilowatt hours of electricity sold,
- the purchaser of the electricity, and
- other information FTB deems necessary.

A seller whose sales of electricity are not processed through CA-ISO, a utility distribution company, or any other person or entity, is required to remit 100% of the windfall profits tax to FTB by the 15th day of the month following the month the sale occurred. Interest and the penalty for failure to pay tax by due date would be assessed on amounts not remitted by the due date. The seller would also be required to file a monthly return to FTB.

Penalties for failure to file a return by the due date would be assessed if a taxpayer, whether the withholding entity or the seller of electricity, did not file the monthly return with FTB by the due date.

The amount withheld and remitted would be presumed to be the windfall profits tax owed, unless the seller requested a refund. The seller must explain the reasons and facts that demonstrate why the tax withheld and remitted did not accurately reflect the tax owed.

The base price set by the CPUC would be presumed to reflect the taxpayer’s cost of selling electricity. The taxpayer could dispute the base price by filing a claim for refund providing the reasons and calculations that demonstrate that the base price does not reflect the taxpayer’s actual costs of selling electricity.

Claims for refund filed on the grounds that base price fails to reflect the taxpayer's actual costs of selling electricity would be reviewed by the CPUC and no refund would be issued unless the CPUC determines that the taxpayer demonstrates that an adjustment should be made to the base price. The refund amount, if any, would be calculated and approved by the PUC. Claims for refund would be filed within four years from the date the tax was required to be remitted or within one year from the date the tax was remitted, whichever period is longer. Interest would be allowed on any amounts refunded from the date of the overpayment of tax to the date the refund is issued. The interest rate would be the same rate used for income tax purposes. If the CPUC denies a claim for refund, the taxpayer may file a suit for refund in Superior Court according to the procedures for filing a suit for refund under the income tax laws.

The bill specifies that FTB shall administer the windfall profits tax according to its authority under the Administration of Franchise and Income Tax Laws and Regulations. The bill also specifically expands FTB's statutory lien authority for collection of unpaid franchise and income taxes to include unpaid windfall profits tax.

Electricity Consumers Refundable Credit

Any windfall profits tax due and payable, less any windfall profits tax refunds allowed to windfall profits taxpayers for the taxable year, would be distributed in equal amounts, via a tax credit, to individuals required to file an income tax return for that taxable year. Credit amounts in excess of a taxpayer's tax liability would be applied first against any other amounts due from the taxpayer, and then refunded. FTB would determine the amount of the credit. The credit amount would be unknown until the total windfall profits taxes due and payable as well as windfall profits tax refunds were determined for the taxable year and were no longer disputed and all individuals required to file income tax returns had been determined.

IMPLEMENTATION CONCERNS

Windfall Profits Tax

Since the total tax amount would be withheld and remitted monthly to the department, the windfall profits tax would be administered outside current income tax forms and processes. The department would need to develop new forms, programs, and operations to administer this new tax. Department staff is reviewing the bill and developing a strategy for implementation. However, withholding of taxes is currently a program administered by the Employment Development Department. EDD has ongoing business constituents that comply with employee tax withholding requirements. That department may be able to quickly implement the provisions of this new withholding program.

The following implementation concerns relating to the windfall profits tax have been identified with this bill. Department staff is available to assist with any amendments to resolve these concerns.

- The windfall profits tax would be effective immediately upon enactment and would become operative on the first day of the first month commencing more than 60 days after the effective date. Withholding amounts would be required to be remitted within 45 days from that date. Even with the revised operative date, department staff is concerned that forms and processes could not be developed in time to process the remittance of the windfall profits tax.

- The bill contains several undefined terms. Undefined terms can lead to disputes between taxpayers and the department. Definitions should be provided for the following terms:

  - "Sales of electricity sold in this state." The windfall profits tax is based on the "sales price of electricity sold in this state." It is unclear whether the generator or everyone in the distribution chain that purchases electricity for resale would be subject to the tax. It is also unclear whether California generators that sell electricity out of the state would be subject to the tax.

Finally, the bill does not address whether a sale of electricity is considered to be "in this state" if the seller is not certain where the electricity will ultimately be used.

- "Producer," "generator," "wholesaler," "marketer," "broker," and "vendor." These terms are all included in the definition of "sellers of electricity." Although these terms appear to have an industry meaning, without specific definitions it is unclear exactly how the windfall profits tax applies to some of these sellers. For example, some "brokers" simply place the buyer and seller together for a fee and, since they do not take title to the electricity being sold, are not involved in the actual sale as a reseller. Also, it is unclear how a series of buyers and sellers at the wholesale trader to retail levels would be treated by the bill. It is unclear whether each sale of the electricity would be subject to the withholding and excess profits tax.

- "Utility distribution company" and "person or entity in this state that process or is required to process sales of electricity." These terms describe entities required to withhold the windfall profits tax. It is unclear how someone "required to process a sale" that does not "process the sale" would withhold the tax. Further, it is unclear whether the State of California would have an obligation to withhold the tax. Department staff understands that the Department of Water Resources is a major purchaser of electricity.

- The bill provides a presumption that the tax withheld and remitted is the full amount of any windfall profits tax owed by the seller. The bill does not specify if the presumption is rebuttable. Further, it is unclear how the presumption applies if a taxpayer argues that the tax should not apply because there is not sufficient nexus to tax. Since the bill provides a claim process where the taxpayer can dispute the tax, the purpose of the presumption is unclear.

- It may be difficult for taxpayers, persons required to withhold the tax, and department staff to determine if a sale is for "electricity sold in this state."

- Department staff would not know when a sale occurred to enforce withholding or collection of the tax.

- The bill specifies that the person required to withhold the windfall profits tax is liable for the tax. This would make the person withholding the tax rather than the seller liable for the windfall profits tax. The bill should be amended to specify that a person required to withhold the tax would be liable if the tax was not withheld as required or was withheld but not remitted to FTB.

- The bill requires the seller to remit the tax by the 15th day of the month immediately following the month in which the *sale* occurs. The bill does not specify how to treat long-term contracts where the "sale" occurs immediately upon execution of the contract but payment is made over a period of time. As drafted, it appears that the seller would be liable for the tax at the time of sale, regardless of whether payment was ever actually received.

- The bill provides a method for sellers to dispute the tax amount, the amount withheld and remitted, and the base price. The bill requires the seller to file a claim for refund, but does not specify the procedure for filing the claim or whether to file the claim with FTB or CPUC. The bill further provides that once a claim for refund is denied by the CPUC that the taxpayer can bring action against FTB in Superior Court through the same process used for franchise tax and income tax purposes. The process used for franchise tax and income tax purposes allows a taxpayer to file suit after FTB denies a claim for refund. FTB is responsible for both acting on the claim and defending the suit for refund. Under this bill, the CPUC denies the claim for refund and FTB is responsible for defending the suit for refund. Procedures will need to be developed for transition from the claim for refund to the suit for refund processes between the two agencies.

- It is unclear whether corporations required to pay the windfall profits tax would be able to claim a deduction for that tax on their corporate franchise or income tax return. Generally, corporations are not allowed a deduction for a tax on, according to, or measured by income.

Electricity Consumers Refundable Credit

The following implementation concerns relating to the credit have been identified with this bill. The department's staff is available to assist with any amendments to resolve these concerns.

- The amount of the credit is based on the amount of windfall profits tax less any refunds of the tax allowed for the taxable year. Claims for refund of the windfall profits tax can be filed as late as four years from the date the tax was required to be remitted or within one year from the date the tax was actually remitted. Consequently, the amount of the credit cannot be determined until all claims for refund of the windfall profits tax are resolved.

- The bill implies that the credit is to be claimed on the income tax return since the credit would be applied against the taxpayer's net tax liability for the taxable year. However, the credit amount for all individuals cannot be determined until all returns are filed for the taxable year because the number of individuals who file income tax returns is a necessary variable in the calculation of the credit amount. Further, the bill does not specify how to determine the credit amount when taxpayers who are required to file do not file timely (e.g., taxpayers that file after requested to do so through the department's filing enforcement program). The author might consider changing the refundable credit to a rebate that can be offset by amounts owed to the state prior to being rebated.

- It is unclear when the credit would become operative because the bill provides two different operative dates for the credit. The credit section (page 3, lines 9 and 10 of the bill) specifies that the credit is operative for taxable years beginning on or after January 1, 2001. However, language provided at the back of the bill (page 8, lines 28 to 30) specifies that the provisions of the act shall become operative on the first day of the first month commencing more than 60 days after the effective date of this act.

- The phrase "individuals required to file an income tax return" should be defined. Department staff is currently interpreting this to mean any one who meets the income thresholds that would require an individual to file an income tax return. The statute would not authorize a credit for those who file and are not required to do so because their income is below the income thresholds. For example, an individual with income below the filing threshold that files a return to receive a refund of withheld taxes.

- This bill would require regular appropriations by the Legislature to pay for the refundable credit. The author may want to consider establishing a special fund into which the excess profits tax would go, together with a statutory continuous appropriation of those funds to authorize payment of the refunds apart from the state general fund and annual budget processes.

If sufficient funds were not appropriated to cover all of the refunds due, the department would suspend payment of the refunds until additional funds were appropriated. Interest would have to be paid to refund recipients for the period of time the refund was delayed. This delay would result in additional contacts to the department by refund recipients, which would likely increase departmental costs.

- Low-income individuals generally file their tax returns on Form 540A or the postcard-size Form 540 2EZ. To minimize the complexity of Form 540 2EZ, the only credit allowed on that form is the nonrefundable renters' credit. The department could not add this proposed credit to the Form 540 2EZ as this form does not accommodate attached schedules due to its size. As a result, taxpayers that would normally file on Form 540 2EZ would be required to file the more complex Form 540A to claim the credit.

- Since the proposed credit is refundable, the credit would need to be shown in the payment section on all personal income tax (PIT) returns except the Form 540 2EZ. This could increase PIT return Forms 540, 540NR, 540X, and potentially the 540A by one page. Adding a page to these forms would result in a significant impact on FTB's operations and costs, would slow return processing, and would increase the amount of return storage space. The department may be required to lease additional office and file storage space, however the department would work within available space to the extent possible.

- If this credit is interpreted to be a state public benefit, the proposed credit falls under the federal provisions making certain aliens ineligible for state public benefits. To establish eligibility, the claimant must declare himself/herself to be a citizen of the United States or an eligible alien. The FTB has no method in place to easily verify alien eligibility, and the volume of claims for this credit is anticipated to be large.

- An undetermined number of fraud investigators may be required by the department to verify this credit. Administrative costs of such investigators have not been determined at this time.

TECHNICAL CONSIDERATIONS

Page 3, line 19 of the bill includes an incorrect reference to the windfall profits tax. The reference should be to Part 14.5 (commencing with Section 33001).

Page 7, line 7 of the bill uses an incorrect term. The bill uses "tax was withheld" when it should use the term "sale of the electricity occurred."

LEGISLATIVE HISTORY

AB 128x (Corbett and Wiggins, 2001/2002) and AB 2xx (Corbett, 2001/2002) are identical. These bills would impose a tax on excess gross receipts from electrical energy distribution, and require purchasers of electricity to withhold and remit 100% of the excess tax. AB 128x died in the Assembly Appropriations when the first extraordinary session ended. AB 2xx is in the Assembly Appropriations Committee.

SB 1x (Soto and Scott, 2001/2002) was identical to this bill. SB 1x died in the Assembly when the first extraordinary session ended.

SB 14 (Thompson, 1995/1996) and SB 1777 (Burton, 1999/2000) would have imposed a Petroleum Windfall Profits Tax on certain taxpayers engaged in petroleum refining. SB 14 failed passage in the Assembly Revenue and Taxation Committee. SB 1777 was held in the Senate Rules Committee.

OTHER STATES' INFORMATION

Florida, Illinois, Massachusetts, Michigan, Minnesota, and *New York* laws do not have windfall profits taxes.

However, *New York* does impose a privilege tax on natural gas importers for importing or causing to be imported gas services into *New York* for their own use or consumption. This tax is gradually being phased out through rate reductions and will be totally eliminated by January 1, 2005.

The laws of these states were reviewed because their tax laws are similar to California's income tax laws.

FISCAL IMPACT

The department's costs to administer this bill cannot be completely determined until implementation concerns have been resolved. However, department staff anticipates that the bill would need to be amended to add supplemental appropriations for FTB's fiscal year 2000-01 budget and to appropriate funds for FTB's fiscal year 2001-02 budget to administer this bill. It is estimated that costs would range from $9.8 million to $10.5 million.

ECONOMIC IMPACT

Any revenue attributable to the windfall profits tax would be offset by equal amounts of refundable credits distributed to individuals required to file an income tax return. Thus, there would be no revenue impact. In terms of cash flow timing between fiscal years, revenues collected would precede disbursements.

LEGAL IMPACT

Some sellers of electricity that have profited from the California energy crisis may not be impacted by the windfall profits tax because they do not have sufficient nexus in California. Although withholding the tax from the seller's payment would bring the tax into California, it is unknown whether the tax could withstand constitutional challenge.

The 100% tax rate could be considered confiscatory under the due process clause.

The windfall profits tax could be considered an indirect price regulation. Electricity price regulation is within the jurisdiction of the Federal Energy Regulatory Commission. This tax could be viewed as preempted by federal laws or regulations, and thus unconstitutional.

The "windfall profits tax" could be construed to be an income tax. If it is considered to be a tax on income and electricity is considered to be tangible personal property, the imposition of the windfall profits tax might be subject to P.L. 86-272.

The law is unclear regarding whether or not electricity is tangible personal property. The legislative intent included in the bill (page 3, line 14 of the bill), uses the phrase “electrical services.” That phrase could be interpreted to reflect the legislature’s intent that electricity is not tangible personal property.

ARGUMENTS/POLICY CONCERNS

- This bill could be viewed as inequitable as it would impose an additional tax on a single industry that already is subject to state taxation to the extent of any income derived from California sources. On the other hand, this industry has been perceived as excessively driving up the cost of electricity for profit.

- This bill would provide a credit only to those individual taxpayers required to file a tax return. Thus, this bill would not help individuals that do not have a California filing requirement or business entities, which also have been impacted by high electricity costs. However, amending the bill to allow the credit to all individuals and requiring them to file tax returns to claim the credit would significantly impact the department’s programs and costs. In addition, the bill could provide a benefit to individuals who receive power from a municipal utility district or other utility that has controlled costs and thus not subjected its ratepayers to the same price increases as other utility companies.

- To the extent that the taxpayer claimed a deduction on their federal return for state taxes paid, any credit applied against a taxpayer’s state tax liability could be considered income that would be required to be reported on the federal income tax return for the year the credit is received.

- Historically, refundable credits, such as the former state renter’s credit and the federal Earned Income Credit, have had significant problems with invalid and fraudulent returns. These problems are aggravated if a refund is made that is later determined to be fraudulent. In such cases the refund commonly cannot be recovered.

- Currently, electronically filed (E-file) returns have no paper documentation processed or stored by the department. The federal Title IV provisions may require E-file taxpayers to submit paper documentation to verify eligibility, which would reverse the electronic paperless trend and pose processing and storage issues.

- Part-year residents or nonresident taxpayers would receive the full benefit of this bill even though they may not be experiencing California's energy crisis.

- The bill would allow the credit to a taxpayer that can be claimed as a dependent by another taxpayer. For example, a minor child who has income from baby-sitting or lawn mowing may separately file and receive a credit.

- This bill does not contain a sunset date. Sunset dates generally are provided to allow periodic review by the Legislature.

LEGISLATIVE STAFF CONTACT

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